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THE REFUGEE PROBLEM

and

THE ABSORPTIVE CAPACITY OF PALESTINE

A MEMORANDUM

SUBMITTED TO THE OFFICERS OF

THE INTERGOVERNMENTAL COMMITTEE FOR REFUGEES

ON THE OCCASION OF ITS SESSION IN WASHINGTON, D. C.

BY

THE AMERICAN EMERGENCY COMMITTEE FOR PALESTINE AFFAIRS

AND

UNITED PALESTINE APPEAL

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American Emergency Committee for
Palestine Affairs

The refugee problem and the
absorptive capacity of Palestine.
A memorandum ... to the office
of the Intergovernmental
Committee for Refugees ...

New York, American Emergency
Committee for Palestine Affairs
and United Palestine Appeal

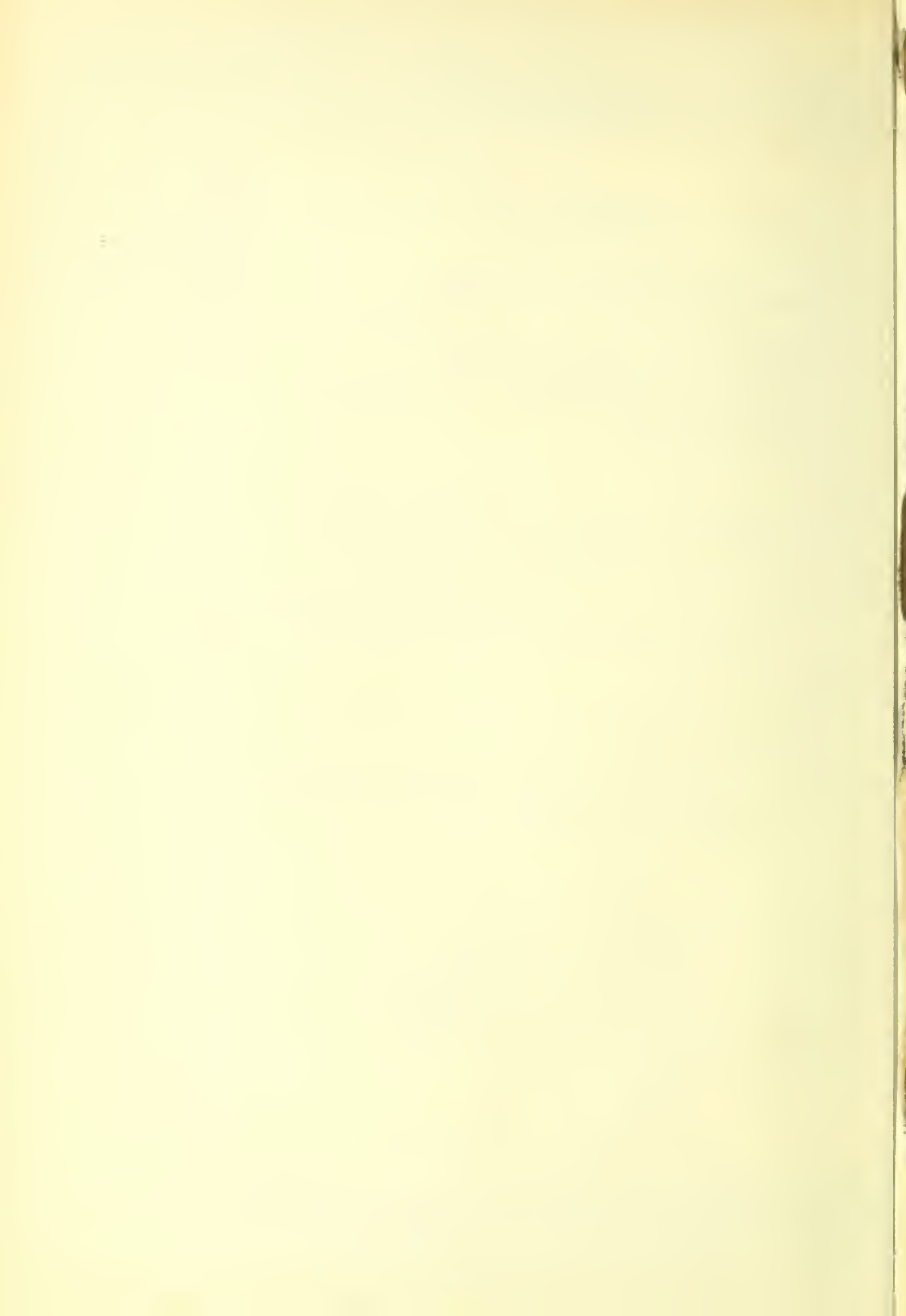
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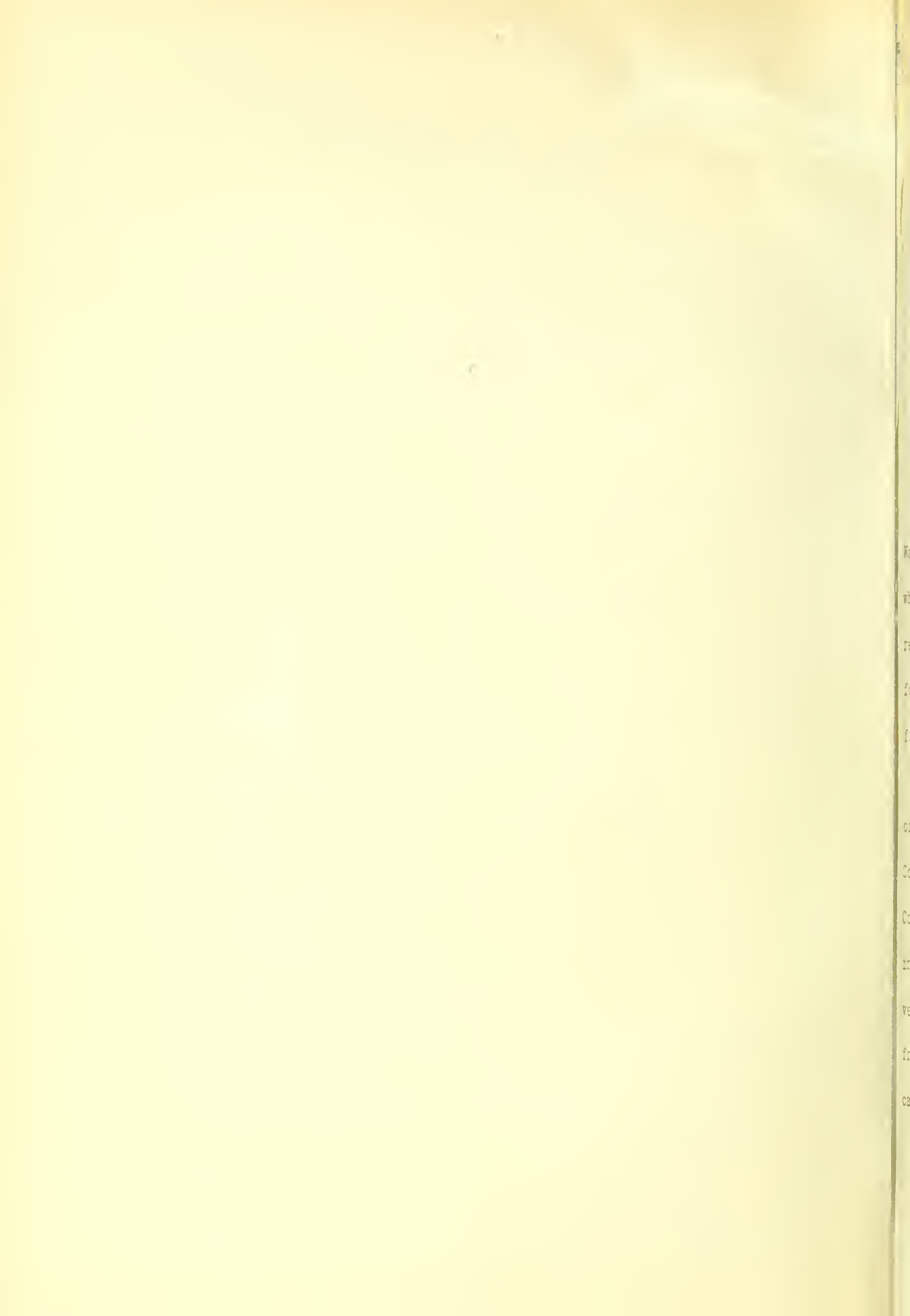
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THE REFUGEE PROBLEM
AND THE ABSORPTIVE CAPACITY
OF PALESTINE

A Memorandum to the Officers of the Intergovernmental Committee for Refugees

I

THE STATUS OF THE REFUGEE PROBLEM

The officers of the Intergovernmental Committee for Refugees, meeting in Washington on October 17-18, 1939, face an intensification of the problem which, on July 6, 1938, brought together at Evian-les-Bains, France, the representatives of twenty-nine nations upon the suggestion of President Roosevelt for the discussion of the plight of hundreds of thousands of refugees driven from their homes by racial and political persecution.

The whole of civilized mankind continues to be concerned with a solution of the problem, as is attested by the functioning of the Intergovernmental Committee for Refugees. Formed as an outgrowth of the Evian conference, the Committee has been confronted during the past year with obstacles of steadily increasing magnitude. Even before the outbreak of war, a solution to the vexing question of finding permanent homes for large numbers of the exiles from Greater Germany was rendered most difficult by various economic, political and psychological factors.

Today the Committee is called upon to resolve these issues:

- (a) the extent to which homes can be opened for refugees;
- (b) the method by which such colonization is to be furthered;



(c) the most promising havens for large-scale immigration in relation to:

- (1) permanent solution of the refugee problem;
- (2) least costly financing to assure maximum returns from the funds available.

This memorandum is presented to the officers of the Intergovernmental Committee on behalf of the American Emergency Committee for Palestine Affairs and the United Palestine Appeal as an expression of the deep concern of American Jewry with the outcome of the conference and as an earnest of their resolution and good faith in urging that the inescapable answer to any consideration of large-scale colonization of refugees is Palestine.

The American Emergency Committee for Palestine Affairs represents all sections of American Jewry concerned with the upbuilding of the Jewish homeland in Palestine. The United Palestine Appeal is the central instrument of American Jewry to finance every phase of the reconstruction program in Palestine.

In presenting a memorandum emphasizing the unique importance of Palestine for the solution of the refugee problem, these agencies simultaneously affirm their interest in and approval of any colonization project which contributes to the salvation of refugees, wherever hospitable nations and governments open their doors in welcome to an harassed people. The need for refugee colonization is so urgent and great that only the most far-reaching and universal generosity on the part of all civilized lands can meet it. It is because we feel that Palestine can contribute so immeasurably to such a program that we press its claims.

The Effect of War on the Refugee Problem

The outbreak of war in Europe has magnified the problem with which the



nations were faced at Evian. Several plans for group resettlement which were advanced in 1938 and investigated and reported on in 1939 will possibly be abandoned. In several instances so vast an outlay of funds would be required for preliminary exploitation of resources that colonization in areas now largely uninhabited must for the present at least be deemed impracticable.

Yet the abandonment of these projects comes unfortunately at a time when the refugee problem is most aggravated. During the last year of general peace in Europe, approximately 140,000 people emigrated from Greater Germany. Many of these did not find permanent homes but only transient stopping-places. The onset of war has resulted in bringing under the regime of the German Government additional hundreds of thousands who, in conformity with German law, will find no opportunity for survival. As a residue of troubled peacetime there still exist in various European lands, belligerent and neutral, scores of thousands of other refugees who have not yet been absorbed into the economy of the countries which provided haven. Lacking permanent homes and prospects of a future in their present environment, they--quite as certainly as the masses lately escaped from Poland--represent the unresolved problem now before the Intergovernmental Committee. The removal of a maximum number of refugees to permanent homes becomes more than ever imperative because of the especial severity with which war-time conditions in Europe will fall upon the refugees, whether they be at large or in internment camps.

Various projects will undoubtedly be considered by the Intergovernmental Committee. The necessity of applying the most rigorous criteria of judgment as to their physical and financial feasibility is underscored by prevailing conditions. If private charity is to be challenged to a measure of generosity that will cope substantially with the problem, there must be offered a scheme

or schemes whose large-scale, constructive nature will evoke the outpouring of large funds for fruitful purposes.

The Criteria for Colonization

A distinguished British economist has said that only systematic, large-scale settlement can solve the refugee problem in view of the staggering need for immigration opportunities. There are three fundamental requirements for mass settlement schemes:

- (1) a large immigration and an expanding economy;
- (2) an influx of substantial capital;
- (3) the character of the social and psychological factors in the immigration country.

If the refugee problem is to be solved it cannot be through a process of "infiltration" but only through systematic and organized settlement.

American Jewry Will Give Funds for Palestine

It is the theme of this memorandum that Palestine, above all other countries, fills the requirements for such organized settlement.

It is the conviction and the pledge of the sponsors of this memorandum that the adoption of a program by the Intergovernmental Committee, in cooperation with the British Government, to further large-scale settlement of refugees in Palestine will be met by a readiness on the part of Jews in the United States to furnish the substantial sums that will be required for the execution of such a program.

The Jewish Agency for Palestine, supreme representative of the Jewish people in the upbuilding of Palestine, for which funds are raised in the United States by the United Palestine Appeal, stands ready to accept tens of thousands of new Jewish settlers and would welcome the realization of conditions making

possible their entry. The opening of the doors of Palestine on a broad scale would be met among American Jewry with the subscription of whatever funds, public or private, might be necessary for their speedy integration into the life of that land.

Why Palestine?

A large-scale settlement program in Palestine is urged because:

- (a) Palestine has indisputably proved its capacity for absorbing immigration;
- (b) Palestine is incomparably prepared to accept additional masses of refugees;
- (c) Up to the present time, it has been tragically and generally true that:
 - (1) countries unsuitable for settlement and without economic value have been suggested for the refugees; and
 - (2) vast expanses of undeveloped but potentially fertile territories throughout the world have been closed to immigration.

II

PALESTINE: AN ANSWER TO THE REFUGEE PROBLEM

A. THE IMMIGRATION HISTORY OF PALESTINE

The question of the availability of Palestine as a haven for refugees is interwoven with the role it has played in accepting and absorbing the victims of oppression during the past twenty years and especially since emigration began from Germany in 1933. On June 30, 1939 an estimate in official sources gave the Jewish population of Palestine as 460,000 and the combined population of other groups, Moslems, Christians and others, as 1,043,000. The rise in



the Jewish ratio, according to these figures, indicates that Jews now constitute at least 30 percent. of the population of the country as against 17 percent. in 1931. More than eighty percent. of the Jewish increase has been accounted for by immigration.

Jewish immigration into Palestine totalled 30,327 in 1933; 42,359 in 1934; and 61,854 in 1935. When political restrictions were introduced in 1936, the registered Jewish immigration for that year declined to 29,727; in 1937 registered immigration totalled 11,400 and in 1938 it rose again to 12,868. To these figures must be added a considerable number of unregistered migrants.

It is estimated by the Jewish Agency for Palestine that 30,000 Jews have entered Palestine from January 1, 1939 through September. Of that number, some 10,000 came into Palestine in the last quarter.

Palestine has been consistently in the forefront among countries able and ready to accept new immigrants. Its relation to other refugee-receiving lands is reflected in the following table of net immigration:

Net Immigration Record: 1933-1937

	<u>1933</u>	<u>1934</u>	<u>1935</u>	<u>1936</u>	<u>1937</u>	<u>Total</u> <u>1933-1937</u>
Argentina	-	1,500	16,500	18,200	27,300	63,500
Australia	-	-	1,000	1,700	5,900	8,600
Brazil	29,200	26,600	8,300	-	-	64,100
United States	-	-	-	4,900	25,000	29,900
South Africa	1,700	4,100	6,100	10,000	4,200	26,100
Uruguay	-	400	1,600	2,700	3,000	7,700
Palestine	30,327	42,359	61,854	29,727	11,400	175,667

Thus, Palestine not only received more immigrants than any other country but equalled the number absorbed by all other major overseas immigration centers combined. It should be noted that the figures for Palestine immigration refer almost exclusively to Jews while statistics for the other countries



include both Jewish and non-Jewish immigration.

The economic classifications of the elements which have found their way to Palestine during the past seven years stamp an overwhelming majority as refugees and not as immigrants in the usual sense. The men, women and children who have landed on its shores are people driven to flight by discrimination, grinding poverty and ruthless persecution in their native countries. It is estimated that of the total of more than 215,000 who have arrived in Palestine since 1933, some 65,000, according to the Jewish Agency for Palestine, are emigres from Greater Germany. The others have come from lands in Central and Eastern Europe where their economic position was rendered as precarious as it might have been in Germany itself.

(1) Dynamic Versus Static Concept of Immigration

A broad view of the refugee problem must consider

- (1) the realities of the achievements in Palestine; and
- (2) the potential growth, as determined by the resources of the country and the special incentives toward their development.

It may be said, indeed, that Palestine itself is the outstanding proof of the colonizing capacity of the Jewish people, challenging and disproving any allegation as to their unadaptability to the soil and giving encouragement to all lands to welcome the refugees as pioneers.

The determination of the absorptive capacity of Palestine cannot be based on any history of the country in relation to its past as a desolate, neglected land. The success of Palestine's growth in the past two decades represents the dynamic as opposed to the static concept of immigration in its bearing on a country's development.



(2) Primary Factors Responsible for Palestine Dynamism

Three primary factors are responsible for the dynamism of Palestine's advance:

I. Manpower

II. Capital

III. Idealism

The possibilities of more immigration and larger development are related to such factors as:

(a) The determination of "cultivability" in relation to Palestine's area;

(b) the expansion of agriculture; in turn, dependent on

(1) methods of cultivation

(2) discovery of water resources and introduction of irrigation

(3) the restoration to production of "uncultivable" land

(c) the extension of industry, based upon

(1) the growth of the past two decades

(2) the enlargement and diversification of industries

(3) the economic value of immigration to industrialization

(4) the influx of capital; public and private

(5) Palestine's industrial role in the Near East

(d) the enlargement of services; such as

(1) public works

(2) transportation

(3) maritime activities

B. "CULTIVABILITY" AND PALESTINE SOIL

The phrase "uncultivability" is a key to Palestine's agricultural growth. The area occupied by Jews today was land previously uncultivated and regarded



as uncultivable which Jews, with patience, skill and resources, rescued from oblivion.

The total area of Palestine is 10,400 square miles or 26,319,000 dunams (approximately four dunams to an acre). In determining the cultivable area, the Government always deducts 12,577,000 dunams, the area of the Negeb, southern Palestine, 46 percent. of the total area. The Palestine Government has stated that 8,760,000 dunams of the balance represent cultivable land. Figures of the Jewish Agency for Palestine cited to the Royal Commission place the cultivable area at 9,197,000 dunams, exclusive of the Negeb (also called the Beersheba district). But a definition of "cultivability" is vital. The Palestine Government regards cultivable land as "land which is actually under cultivation or which can be brought under cultivation by the application of the labor and resources of the average Palestinian cultivator." The standard for this definition is, therefore, the Arab peasant employing a wooden plow.

The Government does not take into consideration: the discovery of water resources and the development of irrigation or the evolution of intensive methods of cultivation. These various factors will determine the absorptive capacity of Palestine. The Government definition does not, for example, make a distinction between "cultivable" and "irrigable land". Palestinian experience has shown that the yield of one dunam of irrigated land is equivalent to that of five unirrigated dunams. Experience has also indicated that a family of five persons can subsist comfortably upon the income derived from 130 dunams of dry land or 25 dunams of irrigated land.

(1) Possibilities for 2,800,000

F. Julius Fohs, noted American expert who has conducted hydrographic surveys of Palestine over a period of many years, has said that if the



available water resources in Palestine are conserved, it is possible to irrigate 3,500,000 dunams, exclusive of the Negeb, after providing for the civil and industrial uses of a population of 2,500,000.

If, then, the 3,500,000 dunams are irrigated, in addition to the land already cultivated, the area will accommodate some 184,000 families or 920,000 persons. This figure compares with the present total maximum agricultural population of Palestine of 632,600. To the figure of 920,000 persons deriving sustenance from the land must be added those who will be engaged in subsidiary village occupations. Upon the assumption, on the basis of an average economically universal, that each peasant enables two persons to follow urban pursuits, Palestine holds forth possibilities for the settlement of some 2,800,000 persons--and this only on land already situated for cultivation.

It should be noted that of 1,455,917 dunams of Palestine land in Jewish possession today, 939,000 dunams are regarded as cultivable. And of the latter number, 452,000 dunams represent land made cultivable by Jews.

(2) Valley of Jezreel As Example of "Cultivability"

An outstanding example of the transformation by Jews of "uncultivable" into cultivable land is the Valley of Jezreel, known also as the Plain of Esdraelon. In 1913 the entire area supported only a few scattered, nomadic Arab families. It was infested with malarial swamps. Those sections which were not marshy were unirrigated and had returned to the desert. Today, there dwell in the Valley more than 18,000 persons who have converted the sand and the marshes into orange groves whose yield averages higher than 105 exportable cases per dunam. This was territory deemed "uncultivable" under the standards of the Government definition.



(3) Huleh and Beisan Areas

What of other areas not considered "cultivable" by the Government? A consideration of the Huleh and Beisan basins reveals that they are not at all beyond reclaim. The Huleh basin was a stagnant marsh several years ago. How fruitful that area once was is reflected in Genesis 49:20 in which Jacob, prophesying for his sons, says: "Out of Asher his bread shall be fat, and he shall yield royal dainties." The land of Asher was Huleh. Josephus described Huleh as "a beautiful and pleasant land blessed greatly by nature. All kinds of plants grow there--nut trees usually in temperate countries are found side by side with the date palms which flourish in hot climates, while figs and olives, which require a hot climate, are not lacking." When in 1933, Jewish capital purchased the basin as a concession for development, it acquired a desolate, disease-ridden swamp. Today the area is being drained and reclaimed. It might be noted that the Jewish concessionaires have agreed to reserve some 15,700 dunams, of the area of 57,000 dunams of lake and marshland which they acquired, for the Arab cultivators who now cultivate on the margin of the lake as the water recedes after the rains. This area is to be reclaimed and provided with major drainage and irrigation channels by the Jewish institutions free of charge to the Arab cultivators.

The Beisan basin covers 119,000 dunams, excluding the town and suburbs of Beisan. Although its water supply is plentiful, it has until now supported an Arab population of only 4,900. With its water resources intelligently utilized, the Beisan area will also support a greatly increased populace.

C. AGRICULTURAL DEVELOPMENT

(1) Methods of Cultivation

These two areas -- the Huleh and Beisan -- by no means exhaust the



possibilities for reclamation; but they demonstrate the flexibility of the concept of "cultivable" area.

Today there are over 250 Jewish agricultural settlements in Palestine. Of that number, 51 have been established in the last three years. How many people can be established on the land is dependent, among other things, on methods of cultivation. The intensified methods introduced by Jewish farmers have enlarged the productive capacity of the land beyond any figure which might have been envisaged twenty or even ten years ago.

Perhaps the most significant aspect of the Jewish development of Palestine has been its occupational restratification in relation to agriculture particularly. The growth of Jewish agricultural production has kept pace with the growth of the Jewish population. In 1922 some 15,000 persons, or 18 percent. of the Jewish population, were classified as rural. Today the percentage has risen to 27 percent. and the total Jewish rural population is some 120,000.

On the basis of five persons to a family, in addition to neighboring village and urban economic dependents, computation shows that an additional 200,000 people can be added to the population of Palestine just through the conversion of the two waste lands of Huleh and Beisan alone.

Five Persons on Five Dunams

Experiments conducted at the Jewish Agency Agricultural Experiment Station at Rehoboth have shown that even the basis of 25 dunams as the minimal area necessary for the maintenance of a family may be far too high in the light of the newest methods of soil cultivation. One family has subsisted for three years on a plot of only five dunams, deriving sufficient income from the produce of that land to maintain five persons. The effect of widespread



employment of such new agricultural techniques throughout the country would be no less than revolutionary and would necessitate a further drastic revision upward of the ultimate number of persons whom the land of Palestine can sustain. Such expansion of cultivable area, with its resulting increase in rural settlement, would have important effects upon every aspect of the economic life of the country. At present the mean density of population per square kilometer of cultivable area in Palestine is 96, as compared with 196 in France and 458 in Egypt. It becomes obvious that the danger of overpopulation is therefore inconsequential.

(2) Water Resources and Irrigation

Through the utilization of existing water supplies, irrigation can be extended to areas now being cultivated extensively on dry land. Of the 4,293 individual farms in Palestine--excluding citrus groves--1,560 lie in categories progressively higher than the average of 30 dunams. If such individual areas were reduced to an average of 30 dunams, an additional 4,200 farm units would be made available. Thus the total number of farms in Palestine might be almost doubled.

The extent of possible exploitation of all water resources has not yet been fully gauged, inasmuch as the Government has not as yet conducted a far-reaching hydrographic survey of the country. Investigation by experts of the Jewish Agency has shown that water supplies now known are sufficient to provide a flow of 421,448 cubic meters per hour. According to their estimate, 2,142,695 dunams or 61 percent of the total of 3,914,650 dunams of level land could be adequately irrigated by existing reserves. It must be emphasized, however, that the fullest realization of the potential irrigability of Palestine must await a complete hydrographic report.



(3) Possibilities of the Negeb

The contribution that the exploration and exploitation of the resources of southern Palestine, the Negeb, could make to the solution of the refugee problem is incalculable. The only inhabitants of this vast area, almost half of Palestine, are some thousands of roving Bedouins. In ancient times, by use of dams and deep wells the country supported a population of roughly 300,000. Thus far no action has been taken to expand the search for water resources and to open the area for colonization.

(4) Agricultural Advance

The produce of Palestine agriculture today varies from the cereals and legumes commonly grown in temperate climates to the fruits native to subtropical lands. In the fertile groves of the Emek, in the Beisan Plain, along the central shore of the Mediterranean, and in the uplands toward the River Jordan, there grow wheat, barley, durra, sesame, maize, oats, kersenneh, lentils, beans, and peas. Among other crops are tobacco, fodder for dairy cattle, and vegetables. Fruits cultivated include the citrus, melons, olives, grapes, almonds, figs, apples, pomegranates, apricots, pears, peaches, plums, bananas, dates, quinces, and strawberries.

Citrus

To meet the demands of the European market, the citrus production has been enormously expanded, until today Palestine ranks as the second largest citrus exporting country in the world. During the growing season just past, the country exported a total of 15,310,346 cases of citrus valued at £4,370,000, as against exports of 2,470,000 cases with a value of £745,000 in the 1930-31 season. Total shipments were 910,548 cases in 1913-14. The area under citrus cultivation has been expanded from 30,000 dunams in 1913 to 298,000 dunams



today. The export total during the season 1938-1939, which represented a 34 percent. increase over the shipments of 1937-38, brought growers, according to the figures of export cooperatives, a net profit of 2/6 per case. The largest single importing country was England, which took 60.4 percent. of the total shipped, while Holland, Belgium, and Sweden ranked next in volume. It is of interest to note that, except for Great Britain, the largest takers of the Palestinian citrus crop are not at war.

The expansion of agriculture has not been confined to citrus alone. It is estimated that the area of fruit plantations in the country, including olives but omitting citrus, is 921,564 dunams, of which 785,671 are fruit bearing. In 1938 production on this land totaled 133,768 tons valued at £977,535.

Grains

Because of the high price of land, the primary objective of Jewish agriculture has been improvement in yield per unit. The yield of wheat, for example, has been raised by irrigation and intensive cultivation from 70 kilos a dunam to 130 and 140 kilos. Barley production has been expanded from 50 to 60 kilos per dunam to 180. Jewish vegetable production averages 2,000 kilos per dunam, against a previous average of 500 to 800.

Dairy Yield

By the importation of improved breeds of cattle from Holland, Jewish dairy experts have been enabled to increase the average annual yield per cow from 700 litres to nearly 4,000 litres. During the quarter January-April of 1939, Jewish milk production rose to 11.96 million litres, a 5 percent. gain over the first quarter of 1938. The rate of increase sustained during the past thirteen years is shown by comparison with the figure for the entire year



of 1926, when the output came to 7,000,000 litres for the twelvemonth. In 1922 Jewish farms produced only 130,000 litres of milk.

Production of eggs in the first quarter of 1939 rose to 21.08 million pieces, compared with 17.30 million in the first quarter of 1938 and 14.82 million in the corresponding period of 1937. During the entire year 1938 egg production totaled 48,337,000 against 39,457,000 in 1937, and only 150,000 pieces in 1922. As a result of the introduction of the leghorn from the United States, the average annual yield per hen has been increased from 70 to 144.

(5) The Contrast of Transjordan

In considering the relationship of psychological to physical factors, it is of interest to contrast the development of Palestine with that of neighboring Transjordan, historically, legally and economically linked with Palestine. At the present the entire territory, consisting of 34,000 square miles, supports only 320,000 people. Transjordan, far more fertile than Palestine, and once described by George Adams Smith as a land where "water is plentiful, luxurious vegetation is almost universal and all agriculture prospers", could comfortably support a rural population of more than 750,000. If the possible village and urban settlers are added, the territory could be expected to support a total population of well over 2,500,000.

D. INDUSTRIAL DEVELOPMENT

The capacity of industry to absorb immigrants and the effect, in turn, of Jewish immigration upon the economic development of Palestine have been particularly notable in the past decade.

(1) Census of Industries

The first official census of Palestine industries, taken in 1928, states



that industry in its larger sense was practically non-existent in Palestine before the World War and that machinery was virtually unknown. The growth of Jewish industry and handicrafts from 1921 to 1937 has been remarkably rapid, as shown in the following table:

		<u>1921-2</u>	<u>1930</u>	<u>1933</u>	<u>1937</u>	Percentage increase since 1933
Establishments	No.	1,850	2,475	3,388	5,606	65%
Personnel:						
Workers & Owners	No.	4,750	10,968	19,595	30,040	53%
Value of annual output	£P.	500,000	2,510,000	5,352,000	9,109,000	75%
Capital	£P.	600,000	2,234,000	5,371,000	11,637,300	108%
Horsepower	HP.	880	10,100	50,500	106,495	110%

Since 1921 the personnel in Jewish industry increased six times, the output seventeen times, the capital eighteen times and the machinery and equipment to an even greater degree.

The rapid diversification of the Palestinian economic structure may be shown by a summary of the major products of its factories and workshops. Today Palestine produces in growing volume oils, silks, wines and spirits, flour, rice, all types of building material, including cement and bricks; paints, perfumes, a wide variety of electrical products, plate glass, fine steels, cotton yarn and piece goods, aluminum ware, as well as such specialties as manufactured chocolate, artificial teeth, and leather goods.

Despite disturbed conditions both within and outside the country, there has been a continuance of new investment in industrial enterprises during the past several years. Political factors having no relation to the economic outlook of the country have tended to constrict the flow of private capital, but expansion has proceeded nonetheless.



(2) Electric Power Development

A stimulating example of the ability of Jews to utilize the resources of Palestine is provided in the history of the Palestine Electric Corporation, founded and directed by a Jewish engineer. Its growth from 1926 through 1938 shows its effect upon the lives of thousands of people, its relationship to industrial development and the progressive reduction of the price of current.

<u>Year</u>	<u>No. of Customers</u>	<u>Current in KWH</u>	<u>Gross Income</u>	<u>Cost per KWH</u>
1926	6,550	2,343,764	£ 66,791	28.5 mils
1929	9,303	3,634,838	90,847	25.0
1932	15,113	11,590,350	145,512	12.5
1935	53,246	50,362,193	488,443	9.7
1936	66,537	65,495,957	582,765	8.9
1937	75,805	71,265,889	611,051	8.6
1938	80,384	72,253,610	711,364	8.5

In the past three years, the sales of industrial power have shown important increases. Industrial consumption of current rose by 28 percent. in 1937 as against 1936; by another 12 percent. in 1938; and during the first six months of 1939 industrial sales once more rose by 16.2 percent. over the corresponding period of last year.

(3) Dead Sea Chemical Resources

The development of extractive industries in the Dead Sea area has been another important index. During 1938, 47,496 tons of potash were produced, as against 29,082 extracted in 1937. Exports of Palestine Potash, Ltd., for the first five months of 1939 totalled 33,481 tons, against 21,228 for the similar period of 1938.

It might be noted that in the first quarter of 1939 the United States bought 8,212 tons of Palestine potash valued at £49,272; Japan, 7,186 tons for £43,116; and Belgium 4,213 tons at £25,278. The total valuation of potash exports in the quarter was £160,398. In 1938 the production of potash, 47,496 tons, was valued at £284,976 as against 29,082 tons extracted in 1937 to the value of £174,672.



(4) The Influx of Capital

Typical of most new countries has been the excess of imports over exports. The unfavorable trade balance of Palestine can be traced not alone to the importation of consumption goods but also to the purchase by local industry of capital goods and raw materials which, employed in the industrial establishment of the country, promote a greater degree of self-sufficiency. The effect of this trend is shown in the steady decrease of per capita imports during the past few years.

In 1933, the excess of imports over exports represented a sum of \$36 per capita. Yet, despite the growth of the population since that time, the excess was reduced in 1938 to \$21 per capita. Thus it may be inferred that a mounting proportion of the country's requirements is being met by local supply.

Such a relatively important article as domestic aluminum ware is a case in point. In 1933 the country imported 100 percent. of its requirements. But in 1938 after local enterprise had been established, only 12 percent. of the aluminum ware required was imported. In 1933 all beer consumed in the country was imported. In 1938 local production accounted for 73 percent. of consumption.

An encouraging sign of sound development is the increase in both quantity and valuation of exports other than citrus fruits. During 1938, for example, exports of potash rose by \$550,000 over 1937; cotton piece goods by \$51,000; books by \$42,000; fruit juices by \$36,000; and chocolate by \$38,000.

(5) Palestine's Industrial Role

No summary of the industrial prospects for Palestine can be complete without reference to the strategic geographical position of the country. At



the crossroads of the two or perhaps the three main arteries of Europe, Asia and Africa, Palestine is admirably located to expand the volume of her exports. The exploitation of the potential market of the Near and Middle East would bear the most intimate relation to the enlargement of the industrial plant.

During the past twenty years hundreds of millions of dollars in public and private capital have been invested in the Jewish enterprises of Palestine. In other new countries during the period of development such capital was borrowed from outside. Debts thus created were serviced by the creation of new debts. The burden of interest remained heavy, and the capital burden grew even after the beginning of actual production.

Palestine is fortunate, and perhaps unique among new countries, in that its capital for development is not borrowed. Broadly speaking, the industry of Palestine is self-owned. Thus there exists a healthy economic base for further industrial progress.

E. ENLARGEMENT OF SERVICES

Development of new opportunities in agriculture and industry will inevitably absorb a great number of additional immigrants and begin a new cycle of general economic expansion.

The economic value of immigration in industrialization has been cited by Lord Winterton in connection with the absorption of refugees in England. New labor opportunities were created for 15,000 British industrial workers as a direct outcome of the initiative of Jewish refugees from Germany, he stated. Thus, the absorption by Palestine of skilled workmen involves not alone the saving of individual lives but establishes new opportunities for thousands of other refugees.



(1) Public Works, etc.

Coincidental with the gains shown in private fields are public works projects now under consideration. A summary of the plans of the Tel Aviv Municipality may indicate to some extent the enormous tasks which the local governing bodies of Palestine may undertake during the next few years. Tel Aviv itself is the outstanding example of the transformation of waste into valuable land. Started some thirty years ago on a sand dune near Jaffa, Tel Aviv today harbors some 175,000 Jews.

The Tel Aviv Municipality is beginning work on a new drainage system to cost £650,000. The project, which will require four years to complete, is self-liquidating. A new water supply system is proposed, at a cost of £450,000. A beach promenade from Jaffa to the Tel Aviv port, with a wide tree-lined esplanade and lanes for pedestrians and motorists, will cost £500,000 and will employ 4,000 men for three years. Improvement of the city's internal roadways, at an outlay of £400,000, is contemplated. Plans for a hospital adequate to serve Tel Aviv and its surrounding colonies, with 600 beds, involve an expenditure of £250,000. The extension of the city's airport is now being carried forward, with 750 men at work. Other proposals call for a town hall, municipal housing developments, a bus terminus, and an animal quarantine station at the port area. Execution of these projects represents an outlay of £2,000,000 and will greatly increase general employment.

(2) The Tel Aviv Port

The growth in foreign trade has meant a corresponding expansion of facilities for handling cargo. Today Palestine has three major ports, at Haifa, Tel Aviv, and Jaffa, which during the year 1938 handled cargo valued at £20,597,938.



The rise of the port at Tel Aviv has been a significant economic phenomenon of the past three years. Only a loading jetty in 1936, the Tel Aviv port has grown rapidly until today it employs nearly 1400 dock workers and provides the central means of support for fully 10,000 workmen. During the first half of 1939 the net registered tonnage of ships arriving at the port totaled 1,025,431 against a tonnage of 563,363 during the first half of 1938. Imports during the first six months of 1939 were 85,280 tons against 51,185 during the first half of last year, and exports rose to 41,441 tons against 27,410. With the harbor at Haifa taxed by an annual tonnage greater than that anticipated at the time of its construction, prospects for increased diversion of traffic to Tel Aviv will involve additional port construction and employment of new dock labor.

The correlation between private industry and public enterprise is so close that any important growth in output of either industry or agriculture is paralleled almost immediately by corresponding increases in allocations for public projects. Accordingly, a rise in the rate of general production will encourage the expenditure of new sums for (1) internal transportation; the building of new roads, the purchase of automobiles, buses, trucks, and railway rolling stock; (2) sea transport; the expansion of the present Jewish fleet; (3) travel by air; purchase of additional planes, construction of new airports; and (4) increased appropriation by the Government for public construction and social services.

(3) Maritime Activities

More than one-third of Palestine's sea coast of 180 kilometers is in the possession of Jews. Increasing attention is being given to the development of maritime occupations. There are over 2,000 Jewish workers at the Tel Aviv and Haifa ports, as stevedores, porters, lightermen, dock workers, customs officials, inspectors.



At the present time 500 young Jews are being trained as mariners. Graduates become deck-boys, ordinary sailors and able-bodied seamen. In addition, Jewish fishermen are being developed. The purchase of fishing vessels, the training of fishermen, the breeding of species and the testing of waters are all being financed by Jewish public funds. Considering the tens of thousands of families who earn their livelihood from the sea it is not too much to hope that thousands of Jewish refugees may ultimately find footholds economically in Palestine through the fishing industry.

(4) Jewish Aviation

Jewish civil aviation has received substantial stimulus in the past few years. Palestine has flying services connecting it with neighboring countries in the Near East, as well as serving as a center of transportation from Europe and Africa to Asia. New planes are being constantly imported and a number of schools for the training of airmen have been established. More than 300 young men are enrolled in gliding clubs throughout Palestine. Thorough courses in practical and theoretical flying are being increasingly attended. Included among the refugees in Palestine today are many pilots who have had long experience in commercial and military aviation and many aeronautical engineers, mechanics, etc.

F. PROPOSALS FOR REFUGEE ABSORPTION IN PALESTINE

The Jewish Agency for Palestine recently submitted a series of proposals which offer the basis upon which the Intergovernmental Committee for Refugees may proceed with the program of directing large-scale immigration to Palestine. These proposals deal with the following types:

- (a) children between 12 and 15;
- (b) youth between 15 and 17;



(c) pioneers (chalutzim) between 18 and 35;

(d) transitory camps to serve as temporary encampments for immigrants until they are ready for absorption in settlements or towns.

The extent to which facilities for immigration will be provided will determine in largest measure the size of the funds that can be made available.

Costs of Settlement

(a) The Jewish Agency has estimated that there would be a cost of £130 per head for the erection of buildings and for the initial average amount involved in the absorption of new immigrants, either in existing settlements or industrial occupations. This figure would apply to the group between 18 and 35.

(b) The costs involved in the transitory camps include the erection of camps and buildings at £17 per head and maintenance at the rate of £2 per month.

In addition, the Jewish Agency for Palestine would require funds for instruction of the refugees, supervision and social welfare needs.

The enrichment of every phase of Palestine life has accompanied the influx of the refugees. Scholars, physicians and musicians, for example, have opened new avenues of cultural activity. Many of the refugees have been absorbed in such institutions as the Hebrew University of Jerusalem, the Haifa Technical Institute, the Daniel Sieff Chemical Research Institute, the Jewish Agency Agricultural Experiment Station and in the Hebrew school system generally. The physicians who have come to Palestine have made the country the medical center of the Near East. The distinction of the Palestine Symphony Orchestra is sufficiently heralded to have attracted Arturo Toscanini and other world famous musicians as conductors.



G. WHO WILL SUPPLY THE FUNDS?

The officers of the Intergovernmental Committee cannot be unaware of the new situation that exists as a result of the war. Countries which previously contributed substantially to the upbuilding of Palestine and to other relief and rehabilitation enterprises are being compelled by domestic obligations and regulations to cut their support drastically or are completely unable to participate.

To the Jews of America, as never before, falls the largest responsibility of executing any scheme related to the solution of the refugee problem.

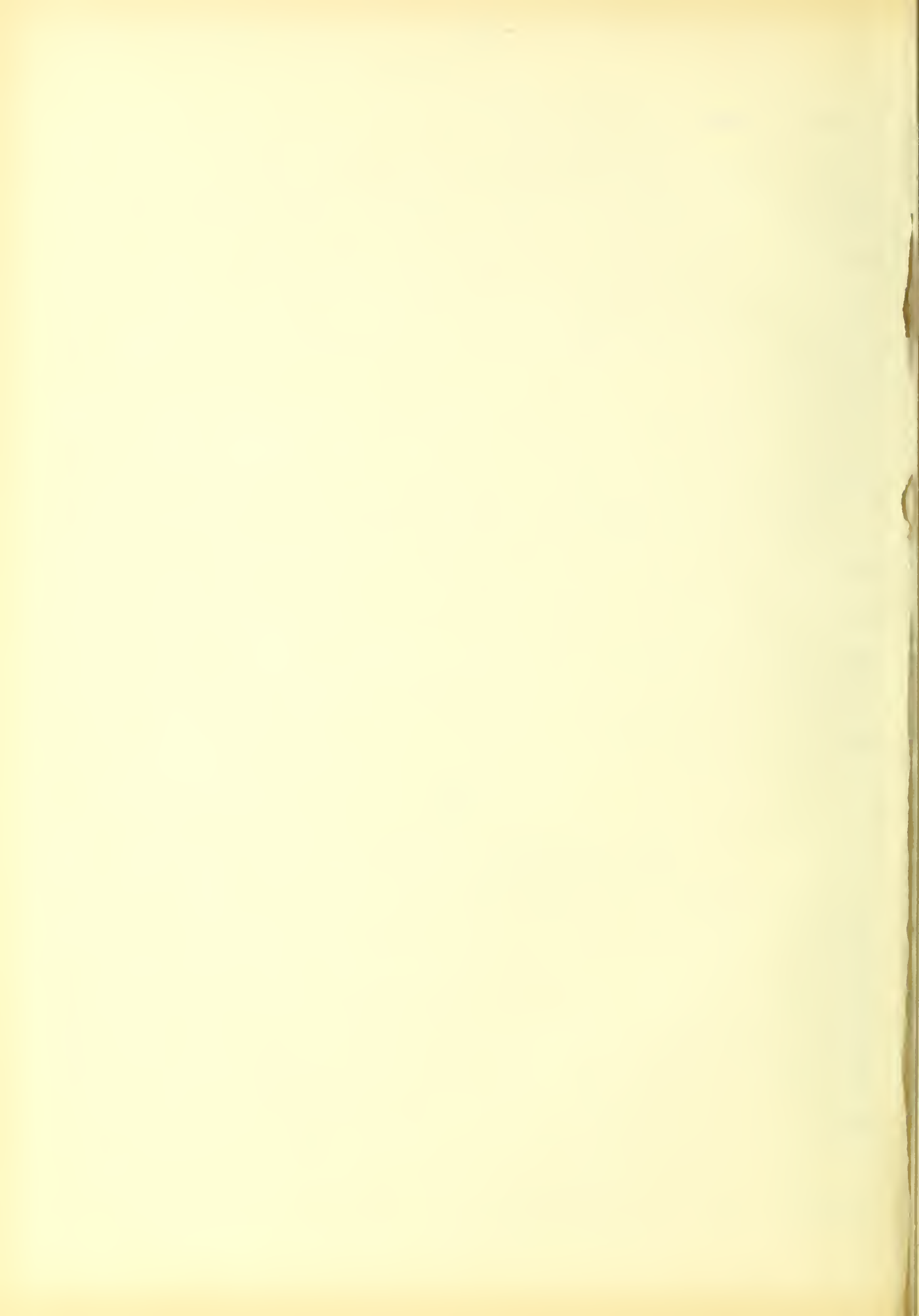
Again the American Emergency Committee for Palestine Affairs and the United Palestine Appeal must reiterate that their constituency is prepared and eager to accept the full responsibility of providing the financial resources that will be forthcoming if only a sound, reasonable and constructive scheme to continue with the extraordinary development of Palestine is publicly sponsored by the Intergovernmental Committee.

III

EFFECT OF JEWISH DEVELOPMENT UPON ARABS

It is pertinent in this memorandum to point out that the influx of Jewish manpower, capital, skill and vision into Palestine has brought about a remarkable transformation of the economic, cultural and physical status of the Arabs. Any summary of the present economic position of the Arab in Palestine, as contrasted with his status under Ottoman rule before the World War, reveals benefits stressing the greatly improved standard of living in all its phases.

The rate of gain among the Arab population can be attributed not alone to immigration but to an increased birthrate. Improved social services, whose



costs are in large part borne by the Jewish community, have cut the Arab death rate without affecting the high degree of Arab fertility.

The scourge of Palestine during the long years of its undisturbed infertility was the Egyptian eye disease trachoma, which, according to the census of 1931, had completely blinded one person and destroyed one eye of two others in each hundred of the Palestinian population. The country was long ridden with endemic malaria, not only in the swampy regions of the plains, but even in the hills. Wells and cisterns were breeding places of the Anopheles mosquito, the carrier of the disease. The program of draining swamps through the reclamation of large tracts of land, combined with a large-scale campaign of popular education, has served to free the people from the menace of malaria and to reduce considerably the threat of trachoma.

(1) Gains in Arab Population

Gains in public health have been mirrored almost immediately by corresponding increases in Arab population. While the number of Arabs in neighboring countries throughout North Africa and Asia Minor has remained static during the past twenty years, the number of Arabs living in Palestine has increased to the present total of 1,015,000 from approximately 664,000 in 1918. The increase in Arab population has been largest in the zones where Jewish development has been most marked. Between the census years of 1922 and 1931 the Moslem population increased most in the towns which have a large Jewish population. Thus, in Haifa the Moslem community increased by 117 percent., in Jaffa by 71 percent. and in Jerusalem by 48 percent. The further removed the town from Jewish influence, the smaller has been the increase in Arab population. At Jenin it increased by only 14 percent. and at Nablus by only 8 per-



cent. A similar gain is shown in agricultural settlements, particularly those dependent upon nearby Jewish colonies.

The mortality rate among Arabs fell from 31.4 per thousand in 1927 to 22.3 per thousand in 1935. The rate of Arab infant mortality dropped from 213.4 per thousand in 1927 to 125 in 1938. This compares with the present mortality ratio of 211 per thousand in neighboring Transjordan.

(2) Benefits to Arab Agriculture

The improved standard of living has been particularly noticeable in Arab agriculture, which has benefited from Jewish colonization. Cereal cultivation, extensive and unprofitable, has been supplanted in many areas by intensive farming. Poultry and dairy farms have replaced wheat and barley fields and fruit trees of all kinds have been planted. In 1922 the Arabs had only 22,000 dunams (5,500 acres) planted to oranges, but in 1937 the area of Arab citrus plantations had increased to 135,000 dunams, representing an augmented value of \$50,000,000.

Despite the diversification of agriculture, however, the wheat yield grew from 44,000 tons in 1933 to 103,000 tons in 1935. Between 1922 and 1937 the area planted by Arabs to vegetables grew seven-fold from 20,000 dunams to 140,000 dunams. Nor has this growth been restricted to agriculture alone. In 1922 a total of £600,000 was invested in Arab industry. By 1937 this total had shown a 417 percent. increase to £2,500,000.

The effect of Jewish immigration, far from driving the Arab off the land, has been to encourage Arab cultivation of hitherto untended tracts. During the post-War period from 1921 to 1937 the area under cultivation in Palestine was increased from 5,014,000 dunams to 8,000,000 dunams. Of this total, the Arab percentage grew from 4,700,000 dunams to 7,400,000 or a gain of 57 percent.



(3) General Economic Advance

The income which Arabs have received from the sale of land has been of tremendous economic advantage. Peasants have sold their surplus land at a price of \$50 to \$75 per dunam. In Transjordan, land of the same quality brings only one-twentieth of this price. It follows, then, that an Arab farmer, working with five members of his family from dawn to dusk on a plot of 100 dunams and deriving from that combined effort only \$150. a year, stands to benefit greatly by selling part of his plot for \$3,500 and utilizing the proceeds of that sale to introduce more productive methods of cultivation on the remainder of his land.

Jewish immigration has raised the level of Arab agriculture also by development of extensive urban markets in Palestine, prepared to pay high prices for all types of agricultural produce. Annual sales of Arab farmers to Jews approximate \$7,500,000 each year. Jews have spent £750,000 annually on products of Arab quarries and industries. They have paid £250,000 annually in rent to Arabs and £250,000 in wages to Arab labor.

(4) Arab-Jewish Cooperation

It is the will, the intention and the resolution of the Jewish community of Palestine to achieve a modus vivendi with the Arab population. Continued growth will bring increasing evidence of that will and simultaneously enable the Arab peoples, under the example and with the encouragement of the Jewish immigrants, to achieve their fullest creative capacity, so that Jew and Arab together may build a flourishing, peaceful, free Palestine.

IV

S U M M A R Y

During the past two decades the rate of growth of the Jewish community of



Palestine has been by far the most rapid in the modern history of colonization. A Jewish social structure which supported 83,794 people in 1922 has expanded six-fold. There has arisen in Palestine a new Jewish agriculture, a flourishing commerce and an expanding Jewish industry.

Spread throughout the country is a network of schools in which nearly 70,000 Jewish children are enrolled. The Hebrew University has been built in Jerusalem. The Hebrew language has been reborn and Palestine has become the cradle of an extensive new Hebrew literature. The Palestine Symphony Orchestra, an enterprising and varied Hebrew theatre, numerous daily, weekly and monthly publications in Hebrew, and other aspects of an expanding spiritual and cultural life point to the healthiness of Jewish communal existence.

It is now urged upon the officers of the Intergovernmental Committee for Refugees that the rich resources already established in Palestine provide the soundest foundation for a large-scale immigration program designed to speed the liquidation of the refugee problem permanently and constructively. These are the facts which stand out in relation to Palestine:

- (1) American Jewry will give funds for Palestine because of the conviction that it fills all the requirements for organized mass settlement (p.4)
- (2) Palestine has proved its capacity to absorb immigrants. 30,000 entered between Jan.-Sept.1939 (p.5)
- (3) Jewish ability to transform so-called "uncultivable" land into cultivable areas opens the possibility of settling 2,800,000 persons (p.9)
- (4) Jewish intensive farming is swiftly reducing the acreage required for agricultural livelihood (p.12)

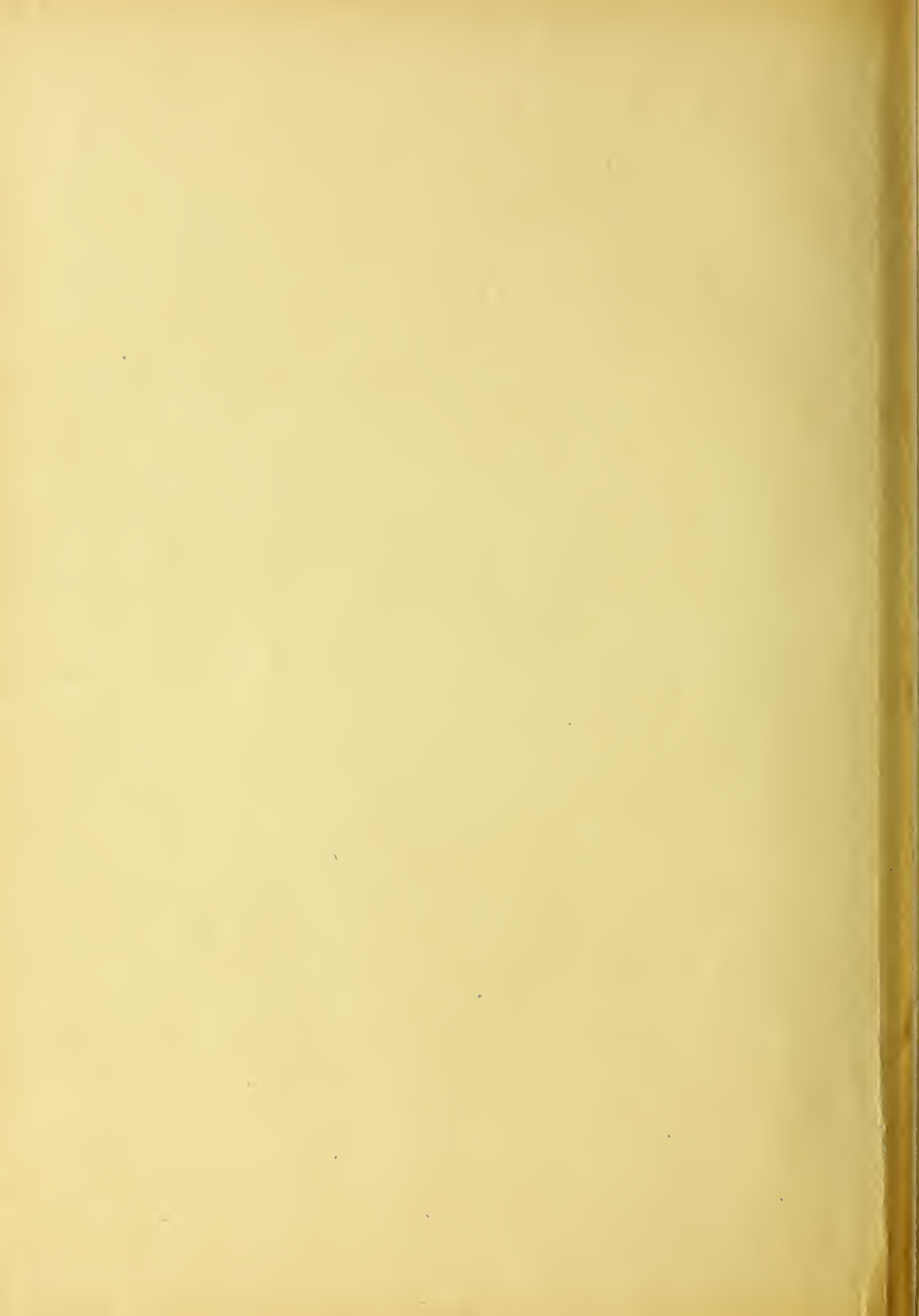


- (5) The known and untapped water resources hold the secret of wide agricultural expansion (p.13)
- (6) Jews have proved themselves farmers in Palestine (p.14)
- (7) Jewish initiative, capital and skill have created an expanding industry which will be able to absorb increasing numbers of refugees (p.16)
- (8) Public works, transportation, maritime activities and related programs hold possibilities for large refugee influx (p.21)
- (9) Definite programs for refugee absorption have been worked out by the Jewish Agency for Palestine, which has the experience and which can obtain the finances (p.23)
- (10) Because of the European situation, American Jewry must bear almost complete responsibility for any rehabilitation program. Deep convictions of American Jews with respect to Palestine must guide Intergovernmental Committee in offering large-scale, constructive refugee settlement program (p.25)

The propulsive power of Jewish idealism, as exemplified in the progress of Palestine since the end of the World War, is recognized as a factor quite as real, if not as tangible, as the immigration of hundreds of thousands of new settlers and the importation of millions of dollars in new capital. This force, combined as it is today with the desperation stemming from Jewish misery in many sections of Europe, is a powerful stimulant to a resurgence of Jewish upbuilding and colonization. Added to the economic factors which point to expanding opportunity for new immigrants, it bears most pertinently upon a solution to the problem with which the Intergovernmental Committee is occupied.







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